



JOHN CHIANG  
California State Controller

April 9, 2014

G.H. Javaheripour, Vice President of Administrative Services  
Victor Valley Community College District  
18422 Bear Valley Road  
Victorville, CA 92395

Dear Mr. Javaheripour:

The State Controller's Office reviewed the costs claimed by the Victor Valley Community College District for the legislatively mandated Integrated Waste Management (IWM) Program (Chapter 1116, Statutes of 1992; and Chapter 764, Statutes of 1999) for the period of July 1, 1999, through June 30, 2010. We conducted our review under the authority of Government Code sections 12410, 17558.5, and 17561. Our review was limited to ensuring that offsetting savings were properly reported in accordance with program requirements.

The district claimed \$908,792 for the mandated program. Our review found that \$667,182 is allowable (\$704,860 less a \$37,678 penalty for filing late claims) and \$241,610 is unallowable. The costs are unallowable because the district did not report any offsetting savings realized as a result of implementing its IWM plan, as described in the attached Summary of Program Costs, Summary of Offsetting Savings Calculations, and the Finding and Recommendation.

For fiscal year (FY) 1999-2000 and FY 2005-06 claims, the State paid the district \$124,379 from funds appropriated under Chapter 724, Statutes of 2010. Our review found that \$89,050 (\$91,155 less a \$2,105 penalty for filing a late claim) is allowable. The State will apply \$35,329 against any balances of unpaid mandated program claims due the district as of October 19, 2010.

For FY 2000-01 through FY 2002-03, FY 2004-05, and FY 2006-07 through FY 2009-10 claims, the State made no payment to the district. Our review found that \$508,603 (\$536,451 less a \$27,848 penalty for filing late claims) is allowable. The State will pay that amount, contingent upon available appropriations.

For the FY 2003-04 claim, the State paid the district \$22,748 from funds appropriated under Chapter 724, Statutes of 2010. Our review found that \$69,529 (\$77,254 less a \$7,725 penalty for filing a late claim) is allowable. The State will pay allowable costs claimed that exceed the amount paid, totaling \$46,781, contingent upon available appropriations.

April 9, 2014

We informed Karen Hardy, Director of Fiscal Services, of the finding via email on January 17, 2014. On March 13, 2014, we sent Ms. Hardy documentation supporting the finding. On March 26, 2014, we conducted a telephone conference call with Ms. Hardy and Edwin Martinez, Director of Maintenance and Operations. Ms. Hardy and Mr. Martinez indicated that they understood the reason for the finding but did not indicate whether they agree with the finding.

If you disagree with the review finding, you may file an Incorrect Reduction Claim (IRC) with the Commission on State Mandates (CSM). The IRC must be filed within three years following the date that we notify you of a claim reduction. You may obtain IRC information at the CSM's website at [www.csm.ca.gov/docs/IRCForm.pdf](http://www.csm.ca.gov/docs/IRCForm.pdf).

If you have any questions, please contact Jim L. Spano, Chief, Mandated Cost Audits Bureau, by phone at (916) 323-5849.

Sincerely,

*Original signed by*

JEFFREY V. BROWNFIELD, CPA  
Chief, Division of Audits

JVB/kw

Attachments

RE: S14-MCC-921

cc: Karen Hardy, Director of Fiscal Services  
Victor Valley Community College District  
Edwin Martinez, Director of Maintenance and Operations  
Victor Valley Community College District  
Christine Atalig, Specialist, College Finance and Facilities Planning  
California Community Colleges Chancellor's Office  
Mollie Quasebarth, Principal Program Budget Analyst  
Education Systems Unit, California Department of Finance  
Mario Rodriguez, Finance Budget Analyst  
Education Systems Unit, California Department of Finance  
Jay Lal, Manager  
Division of Accounting and Reporting  
State Controller's Office

# Attachment 1— Summary of Program Costs July 1, 1999, through June 30, 2010

Cost Elements	Actual Costs Claimed	Allowable per Review	Review Adjustment <sup>1</sup>
<u>July 1, 1999, through June 30, 2000</u>			
Direct costs:			
Salaries and benefits	\$ 14,315	\$ 14,315	\$ —
Indirect costs	8,440	8,440	—
Total direct and indirect costs	22,755	22,755	—
Less offsetting savings <sup>2</sup>	—	(1,706)	(1,706)
Subtotal	22,755	21,049	(1,706)
Less late filing penalty <sup>3</sup>	—	(2,105)	(2,105)
Total program costs	<u>\$ 22,755</u>	18,944	<u>\$ (3,811)</u>
Less amount paid by the State <sup>4</sup>		(20,479)	
Allowable costs claimed in excess of (less than) amount paid		<u>\$ (1,535)</u>	
<u>July 1, 2000, through June 30, 2001</u>			
Direct costs:			
Salaries and benefits	\$ 41,798	\$ 41,798	\$ —
Indirect costs	24,431	24,431	—
Total direct and indirect costs	66,229	66,229	—
Less offsetting savings <sup>2</sup>	—	(5,231)	(5,231)
Subtotal	66,229	60,998	(5,231)
Less late filing penalty <sup>3</sup>	—	(6,100)	(6,100)
Total program costs	<u>\$ 66,229</u>	54,898	<u>\$ (11,331)</u>
Less amount paid by the State		—	
Allowable costs claimed in excess of (less than) amount paid		<u>\$ 54,898</u>	
<u>July 1, 2001, through June 30, 2002</u>			
Direct costs:			
Salaries and benefits	\$ 47,347	\$ 47,347	\$ —
Contract services	6,579	6,579	—
Total direct costs	53,926	53,926	—
Indirect costs	29,015	29,015	—
Total direct and indirect costs	82,941	82,941	—
Less offsetting savings <sup>2</sup>	—	(9,862)	(9,862)
Subtotal	82,941	73,079	(9,862)
Less late filing penalty <sup>3</sup>	—	(7,308)	(7,308)
Total program costs	<u>\$ 82,941</u>	65,771	<u>\$ (17,170)</u>
Less amount paid by the State		—	
Allowable costs claimed in excess of (less than) amount paid		<u>\$ 65,771</u>	

**Attachment 1 (continued)**

Cost Elements	Actual Costs Claimed	Allowable per Review	Review Adjustment <sup>1</sup>
<u>July 1, 2002, through June 30, 2003</u>			
Direct costs:			
Salaries and benefits	\$ 49,536	\$ 49,536	\$ —
Contract services	8,851	8,851	—
Total direct costs	58,387	58,387	—
Indirect costs	27,343	27,343	—
Total direct and indirect costs	85,730	85,730	—
Less offsetting savings <sup>2</sup>	—	(12,917)	(12,917)
Subtotal	85,730	72,813	(12,917)
Less late filing penalty <sup>3</sup>	—	(7,281)	(7,281)
Total program costs	<u>\$ 85,730</u>	65,532	<u>\$ (20,198)</u>
Less amount paid by the State		—	
Allowable costs claimed in excess of (less than) amount paid		<u>\$ 65,532</u>	
<u>July 1, 2003, through June 30, 2004</u>			
Direct costs:			
Salaries and benefits	\$ 55,755	\$ 55,755	\$ —
Contract services	7,661	7,661	—
Total direct costs	63,416	63,416	—
Indirect costs	30,057	30,057	—
Total direct and indirect costs	93,473	93,473	—
Less offsetting savings <sup>2</sup>	—	(16,219)	(16,219)
Subtotal	93,473	77,254	(16,219)
Less late filing penalty <sup>3</sup>	—	(7,725)	(7,725)
Total program costs	<u>\$ 93,473</u>	69,529	<u>\$ (23,944)</u>
Less amount paid by the State <sup>4</sup>		(22,748)	
Allowable costs claimed in excess of (less than) amount paid		<u>\$ 46,781</u>	
<u>July 1, 2004, through June 30, 2005</u>			
Direct costs:			
Salaries and benefits	\$ 55,755	\$ 55,755	\$ —
Contract services	8,770	8,770	—
Total direct costs	64,525	64,525	—
Indirect costs	25,430	25,430	—
Total direct and indirect costs	89,955	89,955	—
Less offsetting savings <sup>2</sup>	—	(18,366)	(18,366)
Subtotal	89,955	71,589	(18,366)
Less late filing penalty <sup>3</sup>	—	(7,159)	(7,159)
Total program costs	<u>\$ 89,955</u>	64,430	<u>\$ (25,525)</u>
Less amount paid by the State		—	
Allowable costs claimed in excess of (less than) amount paid		<u>\$ 64,430</u>	

**Attachment 1 (continued)**

Cost Elements	Actual Costs Claimed	Allowable per Review	Review Adjustment <sup>1</sup>
<u>July 1, 2005, through June 30, 2006</u>			
Direct costs:			
Salaries and benefits	\$ 61,294	\$ 61,294	\$ —
Contract services	14,061	14,061	—
Total direct costs	75,355	75,355	—
Indirect costs	28,545	28,545	—
Total direct and indirect costs	103,900	103,900	—
Less offsetting savings <sup>2</sup>	—	(33,794)	(33,794)
Total program costs	<u>\$ 103,900</u>	70,106	<u>\$ (33,794)</u>
Less amount paid by the State <sup>4</sup>		(103,900)	
Allowable costs claimed in excess of (less than) amount paid		<u>\$ (33,794)</u>	
<u>July 1, 2006, through June 30, 2007</u>			
Direct costs:			
Salaries and benefits	\$ 20,275	\$ 20,275	\$ —
Contract services	8,642	8,642	—
Travel and training	2,392	2,392	—
Total direct costs	31,309	31,309	—
Indirect costs	8,381	8,381	—
Total direct and indirect costs	39,690	39,690	—
Less offsetting revenues and reimbursements	(962)	(962)	—
Less offsetting savings <sup>2</sup>	—	(35,718)	(35,718)
Total program costs	<u>\$ 38,728</u>	3,010	<u>\$ (35,718)</u>
Less amount paid by the State		—	
Allowable costs claimed in excess of (less than) amount paid		<u>\$ 3,010</u>	
<u>July 1, 2007, through June 30, 2008</u>			
Direct costs:			
Salaries and benefits	\$ 90,491	\$ 90,491	\$ —
Materials and supplies	1,950	1,950	—
Contract services	2,128	2,128	—
Fixed assets	14,181	14,181	—
Travel and training	961	961	—
Total direct costs	109,711	109,711	—
Indirect costs	53,861	53,861	—
Total direct and indirect costs	163,572	163,572	—
Less offsetting revenues and reimbursements	(15,052)	(15,052)	—
Less offsetting savings <sup>2</sup>	—	(21,968)	(21,968)
Total program costs	<u>\$ 148,520</u>	126,552	<u>\$ (21,968)</u>
Less amount paid by the State		—	
Allowable costs claimed in excess of (less than) amount paid		<u>\$ 126,552</u>	

**Attachment 1 (continued)**

Cost Elements	Actual Costs Claimed	Allowable per Review	Review Adjustment <sup>1</sup>
<u>July 1, 2008, through June 30, 2009</u>			
Direct costs:			
Salaries and benefits	\$ 74,660	\$ 74,660	\$ —
Materials and supplies	1,153	1,153	—
Total direct costs	75,813	75,813	—
Indirect costs	36,583	36,583	—
Total direct and indirect costs	112,396	112,396	—
Less offsetting revenues and reimbursements	(9,692)	(9,692)	—
Less offsetting savings <sup>2</sup>	—	(23,521)	(23,521)
Total program costs	<u>\$ 102,704</u>	79,183	<u>\$ (23,521)</u>
Less amount paid by the State		—	
Allowable costs claimed in excess of (less than) amount paid		<u>\$ 79,183</u>	
<u>July 1, 2009, through June 30, 2010</u>			
Direct costs:			
Salaries and benefits	\$ 49,599	\$ 49,599	\$ —
Indirect costs	24,258	24,258	—
Total direct and indirect costs	73,857	73,857	—
Less offsetting savings <sup>2</sup>	—	(24,630)	(24,630)
Total program costs	<u>\$ 73,857</u>	49,227	<u>\$ (24,630)</u>
Less amount paid by the State		—	
Allowable costs claimed in excess of (less than) amount paid		<u>\$ 49,227</u>	
<u>Summary: July 1, 1999, through June 30, 2010</u>			
Direct costs:			
Salaries and benefits	\$ 560,825	\$ 560,825	\$ —
Materials and supplies	3,103	3,103	—
Contract services	56,692	56,692	—
Fixed assets	14,181	14,181	—
Travel and training	3,353	3,353	—
Total direct costs	638,154	638,154	—
Indirect costs	296,344	296,344	—
Total direct and indirect costs	934,498	934,498	—
Less offsetting revenues and reimbursements	(25,706)	(25,706)	—
Less offsetting savings	—	(203,932)	(203,932)
Total program costs	908,792	704,860	(203,932)
Less late filing penalty	—	(37,678)	(37,678)
Total program costs	<u>\$ 908,792</u>	667,182	<u>\$ (241,610)</u>
Less amount paid by the State		(147,127)	
Allowable costs claimed in excess of (less than) amount paid		<u>\$ 520,055</u>	

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## Attachment 1 (continued)

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<sup>1</sup> See Attachment 3, Finding and Recommendation.

<sup>2</sup> See Attachment 2, Summary of Offsetting Savings Calculations.

<sup>3</sup> The district filed its fiscal year (FY) 1999-2000 through FY 2004-05 initial reimbursement claims after the due date specified in Government Code section 17560. Pursuant to Government Code section 17561, subdivision (d)(3), the State assessed a late filing penalty equal to 10% of allowable costs, with no maximum penalty amount (for claims filed on or after September 30, 2002).

<sup>4</sup> Payment from funds appropriated under Chapter 724, Statutes of 2010 (Assembly Bill No. 1610).

## Attachment 2— Summary of Offsetting Saving Calculations July 1, 1999, through June 30, 2010

Cost Elements	Offsetting Savings Reported	Offsetting Savings Realized			Review Adjustment <sup>1</sup>
		July - December	January - June	Total	
<u>July 1, 1999, through June 30, 2000</u>					
Maximum allowable diversion percentage		—	25.00%		
Actual diversion percentage		÷ —	÷ 32.27%		
Allocated diversion percentage		—	77.47%		
Tonnage diverted		× —	× (60.50)		
Statewide average landfill fee per ton		× —	× \$36.39		
Offsetting savings, FY 1999-2000	\$ —	\$ —	\$ (1,706)	\$ (1,706)	\$ (1,706)
<u>July 1, 2000, through June 30, 2001</u>					
Maximum allowable diversion percentage		25.00%	25.00%		
Actual diversion percentage		÷ 32.27%	÷ 46.57%		
Allocated diversion percentage		77.47%	53.68%		
Tonnage diverted		× (60.50)	× (180.45)		
Statewide average landfill fee per ton		× \$36.39	× \$36.39		
Offsetting savings, FY 2000-01	\$ —	\$ (1,706)	\$ (3,525)	\$ (5,231)	\$ (5,231)
<u>July 1, 2001, through June 30, 2002</u>					
Maximum allowable diversion percentage		25.00%	50.00%		
Actual diversion percentage		÷ 46.57%	÷ 46.97%		
Allocated diversion percentage <sup>2</sup>		53.68%	100.00%		
Tonnage diverted		× (180.45)	× (175.20)		
Statewide average landfill fee per ton		× \$36.39	× \$36.17		
Offsetting savings, FY 2001-02	\$ —	\$ (3,525)	\$ (6,337)	\$ (9,862)	\$ (9,862)
<u>July 1, 2002, through June 30, 2003</u>					
Maximum allowable diversion percentage		50.00%	50.00%		
Actual diversion percentage		÷ 46.97%	÷ 46.30%		
Allocated diversion percentage <sup>2</sup>		100.00%	100.00%		
Tonnage diverted		× (175.20)	× (178.65)		
Statewide average landfill fee per ton		× \$36.17	× \$36.83		
Offsetting savings, FY 2002-03	\$ —	\$ (6,337)	\$ (6,580)	\$ (12,917)	\$ (12,917)
<u>July 1, 2003, through June 30, 2004</u>					
Maximum allowable diversion percentage		50.00%	50.00%		
Actual diversion percentage		÷ 46.30%	÷ 59.94%		
Allocated diversion percentage <sup>2</sup>		100.00%	83.42%		
Tonnage diverted		× (178.65)	× (300.75)		
Statewide average landfill fee per ton		× \$36.83	× \$38.42		
Offsetting savings, FY 2003-04	\$ —	\$ (6,580)	\$ (9,639)	\$ (16,219)	\$ (16,219)



## Attachment 2 (continued)

Cost Elements	Offsetting Savings Reported	Offsetting Savings Realized			Review Adjustment <sup>1</sup>
		July-December	January -June	Total	
<u>July 1, 2004, through June 30, 2005</u>					
Maximum allowable diversion percentage		50.00%	50.00%		
Actual diversion percentage		÷ 59.94%	÷ 55.09%		
Allocated diversion percentage		83.42%	90.76%		
Tonnage diverted		× (300.75)	× (246.55)		
Statewide average landfill fee per ton		× \$38.42	× \$39.00		
Offsetting savings, FY 2004-05	\$ —	\$ (9,639)	\$ (8,727)	\$ (18,366)	\$ (18,366)
<u>July 1, 2005, through June 30, 2006</u>					
Maximum allowable diversion percentage		50.00%	50.00%		
Actual diversion percentage		÷ 55.09%	÷ 80.10%		
Allocated diversion percentage		90.76%	62.42%		
Tonnage diverted		× (246.55)	× (873.00)		
Statewide average landfill fee per ton		× \$39.00	× \$46.00		
Offsetting savings, FY 2005-06	\$ —	\$ (8,727)	\$ (25,067)	\$ (33,794)	\$ (33,794)
<u>July 1, 2006, through June 30, 2007</u>					
Maximum allowable diversion percentage		50.00%	50.00%		
Actual diversion percentage		÷ 80.10%	÷ 50.42%		
Allocated diversion percentage		62.42%	99.17%		
Tonnage diverted		× (873.00)	× (223.75)		
Statewide average landfill fee per ton		× \$46.00	× \$48.00		
Offsetting savings, FY 2006-07	\$ —	\$ (25,067)	\$ (10,651)	\$ (35,718)	\$ (35,718)
<u>July 1, 2007, through June 30, 2008</u>					
Maximum allowable diversion percentage		50.00%	50.00%		
Actual diversion percentage		÷ 50.42%	÷ 50.42%		
Allocated diversion percentage		99.17%	99.17%		
Tonnage diverted		× (223.75)	× (223.75)		
Statewide average landfill fee per ton		× \$48.00	× \$51.00		
Offsetting savings, FY 2007-08	\$ —	\$ (10,651)	\$ (11,317)	\$ (21,968)	\$ (21,968)
<u>July 1, 2008, through June 30, 2009</u>					
Maximum allowable diversion percentage		50.00%	50.00%		
Actual diversion percentage		÷ 50.42%	÷ 50.42%		
Allocated diversion percentage		99.17%	99.17%		
Tonnage diverted		× (223.75)	× (223.75)		
Statewide average landfill fee per ton		× \$51.00	× \$55.00		
Offsetting savings, FY 2008-09	\$ —	\$ (11,317)	\$ (12,204)	\$ (23,521)	\$ (23,521)

## Attachment 2 (continued)

Cost Elements	Offsetting Savings Reported	Offsetting Savings Realized			Review Adjustment <sup>1</sup>
		July-December	January -June	Total	
<u>July 1, 2009, through June 30, 2010</u>					
Maximum allowable diversion percentage		50.00%	50.00%		
Actual diversion percentage		÷ 50.42%	÷ 50.42%		
Allocated diversion percentage		99.17%	99.17%		
Tonnage diverted		× (223.75)	× (223.75)		
Statewide average landfill fee per ton		× \$55.00	× \$56.00		
Offsetting savings, FY 2009-10	\$ —	\$ (12,204)	\$ (12,426)	\$ (24,630)	\$ (24,630)
<u>Summary: July 1, 1999, through June 30, 2010</u>	\$ —	\$ (95,753)	\$ (108,179)	\$ (203,932)	\$ (203,932)

<sup>1</sup> See Attachment 3, Finding and Recommendation.

<sup>2</sup> Victor Valley Community College District did not achieve the maximum allowable diversion percentage in calendar year 2002 or 2003. Therefore, 100% of the tonnage diverted is offsetting savings realized by the district.

## Attachment 3— Finding and Recommendation July 1, 1999, through June 30, 2010

### **FINDING— Unreported offsetting savings**

The district did not report any offsetting savings on its mandated cost claims for the review period. We found that the district realized savings of \$203,932 from implementation of its integrated waste management (IWM) plan.

The following table summarizes the unreported offsetting savings by fiscal year:

<u>Fiscal Year</u>	<u>Offsetting Savings Reported</u>	<u>Offsetting Savings Realized</u>	<u>Review Adjustment</u>
1999-2000	\$ —	\$ (1,706)	\$ (1,706)
2000-01	—	(5,231)	(5,231)
2001-02	—	(9,862)	(9,862)
2002-03	—	(12,917)	(12,917)
2003-04	—	(16,219)	(16,219)
2004-05	—	(18,366)	(18,366)
2005-06	—	(33,794)	(33,794)
2006-07	—	(35,718)	(35,718)
2007-08	—	(21,968)	(21,968)
2008-09	—	(23,521)	(23,521)
2009-10	—	(24,630)	(24,630)
Total	<u>\$ —</u>	<u>\$ (203,932)</u>	<u>\$ (203,932)</u>

On March 25, 2004, the Commission on State Mandates (CSM) adopted the statement of decision for the IWM Program. The CSM determined that Chapter 1116, Statutes of 1992; and Chapter 764, Statutes of 1999, imposed upon community college districts a state mandate reimbursable under Government Code section 17561, commencing July 1, 1999.

The program's parameters and guidelines establish the state mandate and define the reimbursement criteria. The CSM adopted the parameters and guidelines on March 30, 2005.

In March 2007, the Department of Finance and the IWM Board filed a petition for Writ of Mandate requesting the CSM to issue new parameters and guidelines that give full consideration to the community colleges' cost savings (e.g. avoided landfill disposal fees) and revenues (from recyclables) by complying with the test claim statutes. The Judgment and a Writ of Mandate were issued on June 30, 2008, ordering the CSM to amend the parameters and guidelines to require community college districts to identify and offset from their claims cost savings realized as a result of implementing their plan.

On September 26, 2008, the CSM amended the parameters and guidelines to the original period of reimbursement because the court's decision interprets the test claim statutes as a question of law.

In compliance with Government Code section 17558, the State Controller's Office issues claiming instructions to assist community college districts in claiming mandated-program reimbursable costs.

The parameters and guidelines (section VIII. Offsetting Cost Savings) state:

Reduced or avoided costs realized from implementation of the community college districts' Integrated Waste Management Plans shall be identified and offset from this claim as cost savings, consistent with the direction for revenue in Public Contract Code sections 12167 and 12167.1.

Public Contract Code sections 12167 and 12167.1 require agencies in state-owned and state-leased buildings to deposit all revenues from the sale of recyclables into the IWM Account in the IWM Fund. The revenues are to be continuously appropriated to the Board for the purposes of offsetting recycling program costs. For the review period, the district did not deposit any revenue into the IWM Account in the IWM Fund. As the district had reduced or avoided costs realized from implementation of its IWM plan that it did not remit to the State, the district should have identified and offset this savings from its claims.

### Offsetting Savings Calculation

The CSM's Final Staff Analysis of the proposed amendments to the parameters and guidelines (Item #8—CSM hearing of September 26, 2008) state:

... cost savings may be calculated from the annual solid waste disposal reduction or diversion rates that community colleges must annually report to the Board pursuant to Public Resources Code section 42926, subdivision (b) (1).

To compute the savings amount, we multiplied the allocated diversion percentage by the tonnage diverted, and then multiplied the total by the avoided landfill disposal fee, as follows:

$$\begin{array}{rcccl}
 & \text{Allocated Diversion \%} & & & \\
 & \overbrace{\hspace{1.5cm}} & & & \\
 \text{Offsetting} & \text{Maximum} & & \text{Avoided} & \\
 \text{Savings} & \text{Allowable} & & \text{Landfill} & \\
 \text{Realized} & = \frac{\text{Diversion \%}}{\text{Actual Diversion \%}} & \times & \text{Tonnage Diverted} & \times \text{Disposal Fee (per Ton)}
 \end{array}$$

This calculation determines the cost that the district did not incur for solid waste disposal as a result of implementing its IWM plan. The offsetting savings calculation is presented in Attachment 2 – Summary of Offsetting Savings Calculations.

*Allocated Diversion Percentage*

Public Resource Code 42921 requires districts to achieve a solid waste diversion percentage of 25% beginning January 1, 2002, and a 50% diversion percentage by January 1, 2004. The parameters and guidelines state that districts will be reimbursed for all mandated costs incurred to achieve these levels, without reduction when they fall short of stated goals, but not for amounts that exceed these state-mandated levels. Therefore, we allocated the offsetting savings to be consistent with the requirements of the mandated program.

For calendar years 2000 through 2007, we used the actual diversion percentage reported by the district to CalRecycle (formerly the IWM Board) pursuant to Public Resources Code section 42926, subdivision (b)(1).

In 2008, CalRecycle began focusing on “per-capita disposal” instead of a “diversion percentage.” As a result, CalRecycle stopped requiring community college districts to report the actual amount of tonnage diverted, and the annual reports no longer identify a “diversion percentage.” Therefore, we used the 2007 diversion percentage to calculate offsetting savings for FY 2007-08 through FY 2009-10. The district did not provide any documentation supporting a different diversion percentage.

*Tonnage Diverted*

The tonnage diverted is solid waste that the district recycled, composted, and kept out of the landfill.

For calendar years 2000 through 2007, we used the actual tonnage diverted, as reported by the district to CalRecycle pursuant to Public Resources Code section 42926, subdivision (b)(1).

As previously noted, in 2008, CalRecycle stopped requiring community college districts to report the actual amount of tonnage diverted. Therefore, we used the tonnage diverted in 2007 to calculate the offsetting savings for FY 2007-08 through FY 2009-10. The district did not provide any documentation supporting a different amount of tonnage diverted.

*Avoided Landfill Disposal Fee (per Ton)*

The avoided landfill disposal fee is used to calculate realized savings because the district no longer incurs a cost to dispose of the diverted tonnage at the landfill. For each fiscal year in the review period, we used the statewide average disposal fee provided by CalRecycle. The district did not provide any documentation supporting a different disposal fee.

Recommendation

The IWM Program was suspended in the FY 2011-12 through FY 2013-14 Budget Acts. If the program becomes active, we recommend that the district offset all savings realized from implementation of its IWM plan.